

Military planning \$300 million intelligence campus in Bethesda

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The Pentagon plans to set up a \$300 million hub in Bethesda for the federal government's intelligence-gathering agencies on a 40-acre site vacated in September by the National Geospatial-Intelligence Agency.

The Army Corps of Engineers is working with the Defense Intelligence Agency on the large-scale overhaul, which could take about five years to develop and would shift 3,000 workers to the site off MacArthur Boulevard and Sangamore Road.

Parts of the project are still being refined, but the corps, which handles real estate projects for the military, has begun laying out its plans to local groups, including the District's National Capital Planning Commission, and has already started some preliminary site work.

The military's top brass view the site as an ideal location for their proposed Intelligence Community Campus given the facility was already set up for essentially the same use under the National Geospatial agency, which relocated to Fort Belvoir in September as part of the military's base realignment and closure plan.

Army Corps Maj. Rick Wulff said the center would help the military save money by shifting workers from leased space throughout the Washington area. It would also help Montgomery County recover from the blow it was dealt by BRAC and the loss of 3,000 federal workers to Northern Virginia.

³This is the kind of thing that we like; it's a good thing,² Wulff said. ³From our perspective, this redevelopment is a really positive thing for the intelligence community and the general community as a whole.²

While the Defense Intelligence Agency is leading the military's efforts to establish the site as an intelligence center, it will not be the only one of 40 federal agencies charged with gathering intelligence information to have a presence at the site. Wulff declined to discuss what specific agencies will be moving workers to the center.

As proposed, the military wants to keep all but one of the five buildings at the site, which now has about 700,000 square feet, according to an environmental impact report on the project. In addition, it plans to add 170,000 square feet and create connections so the complex would be turned into one large facility rather than a cluster of separate buildings.

The plan is a logical expansion for the DIA, which last year moved into two other buildings in Reston that were also vacated by National Geospatial, said Darian LeBlanc , senior managing director of government services for Cassidy Turley. Under that 20-year lease negotiated by the General Services Administration, the DIA leased nearly 523,500 square feet at Boston Properties Inc.'s Patriots Park. Cassidy Turley represented the GSA.

The prospect could be an economic development generator for Montgomery County by drawing new federal contractors to the area to work with those agencies that take space at the site, said Phil Alperson

<http://www.bizjournals.com/washington/search/results?q=Phil%20Alperson> , who oversaw the 2005 BRAC plan for the county. At the very least, Alperson said, it would be a wash as the government swaps one employer with 3,000 workers for several different agencies with about the same number of employees. The county is supportive of the plans and noted the Corps of Engineers has been working with community groups to address their concerns, he added.

The DIA beat out several other federal agencies that wanted to take over the site from National Geospatial, including the National Institutes of Health and the Navy. Once one federal agency vacates a site, the GSA kicks off a process that starts with seeking proposals from other agencies. If there are no takers, properties are declared as surplus and can be offered for sale to the public. The GSA is going through that process with the West Heating Plant in Georgetown, where international hotelier Four Seasons is part of a team that wants to build condos.

The corps is already moving ahead with an initial phase for the Bethesda intelligence hub. In late September, it awarded a \$40 million contract to Clark Construction Group LLC to design and build a six-level parking garage, inspection station and vehicle control center on part of the property known as the North Campus. That work is expected to be completed by January 2013.

But Wulff said the second and more costly phase is still unfunded. He declined to comment on when funding for that work could be approved or when it will start.

The corps is also preparing to field concerns from neighborhood and planning groups about the project's impact on the local community as it reveals more of the proposal's details. Some groups have already weighed in with worries about how the center could affect traffic as well as more intangible things such as whether cellphone service would be disrupted by the work that would be done at the proposed center.

Daniel J. Sernovitz covers commercial real estate.